

# AN INDUSTRY TO BE RECKONED WITH

*The building and construction industry contributes more to our economy than most people realise. Master Builders director Michael McLean explains what this contribution equates to.*

**W**HATEVER statistics you look at, the building industry comprises some really big numbers.

For example, the building industry generates \$200 billion in revenue for the Australian economy each year.

Of the 1.1 million people employed in the industry, 360,000 are 'mum and dad' small building businesses that often work for builders as subcontractors.

With about 10 per cent of our workforce employed in the building industry, we are the third largest industry in Australia, but the largest employer of full-time skilled workers like carpenters, electricians, plumbers, painters, bricklayers, plasterers, tilers and construction managers.

Over the last five years, our industry has contributed over 73,500 jobs to the Australian labour market; nearly one-third being in regional areas, but only 12 per cent of these being female and over one third being aged 45 years or older.

Building homes for families drives the national economy, creates jobs, stimulates economic activity in other industries and creates more productive and liveable communities. In 2016/17, for example, our industry built 113,000 new homes (valued at \$33.1 billion), 102,000 apartments (valued at \$29.2 billion) in addition to \$8.4 billion in home renovations, according to the Australian Bureau of Statistics.

In WA, the total number of new homes and units/apartments built in 2017/18 is expected to be around 19,000, which is about 4000 less than our 10-year average.

To meet current projected demand, Master Builders Australia has estimated we will need an additional 300,000 employees, apprentices and specialist contractors over the next decade; and 50,000 new entrants each year over the next 10 years.

Although the building industry employs

over 80,000 apprentices and trainees across Australia each year, the number of building apprentices in WA is more than 20 per cent lower than it was a few years ago.

This has raised alarm bells with many in our industry who are concerned about skill shortages when the industry improves over the next two to three years.

This issue is currently being addressed by the Construction Training Fund and the Department of Training and Workforce Development.

Population growth plays a big role in determining the health and growth of the housing industry. WA's population growth has fallen from over three per cent less than five years ago to less than one per cent last year.

This helps to explain why less than 20,000 homes were built last year compared to over 31,000 only three years ago. With Victoria's population now growing at over three per cent, which is faster than any other state at over 90,000 new residents per year, it helps explain why that state's housing industry is battling to keep up with demand.

The consensus amongst home builders in WA is that our economy has bottomed and that we are now seeing the early signs of a modest recovery.

Fortunately, the \$10,000 First Home Owner Grant, stamp duty concessions, KeyStart finance, low interest rates, competitive house and land deals and the availability of good trades to complete new homes within shorter time periods all favour prospective homebuyers.

The building industry is indeed a big industry which we should all recognise as building prosperity and improving living standards for all Australians. Master Builders is the professional industry association which has been proudly representing the interest of our industry in WA for the last 120 years.

